

City of Annapolis FY 2009 Adopted Budget All Funds Summary

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equities, revenues and expenditures/expenses. Budgets for the following funds are included in this document:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Enterprise Funds - The Enterprise Funds are used to account for those activities of the City which are financed and operated in a manner similar to private business enterprises where costs and expenses, including depreciation, are recovered principally through user charges. Individual operations which the City of Annapolis has designated as Enterprise Funds include the Water, Sewer, Off Street Parking, Dock, Market, Transportation, Stormwater Management and Refuse Funds. A description of the individual activities of each Enterprise Fund are given later in this section of the budget.

Special Revenue Fund - Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted by legal and regulatory provisions to finance specific activities. The City's Special Revenue Fund is used to account for Community Development Block Grants received from the Federal Government.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources and expenditures applied to the construction of capital facilities and major purchased items for all governmental fund types.

The following tables summarize the FY 09 Adopted budget for the General and Enterprise Funds.

<i>FY 2009 Adopted Revenues and Expenditures By Fund</i>	<i>Revenues</i>	<i>Expenditures</i>	<i>Inc /Surplus(Dec/Deficit) in Fund Equity/Retained Earnings</i>
General	\$55,327,160	\$57,640,160	(\$2,313,000)
Water	4,050,000	4,574,630	(524,630)
Sewer	5,650,000	5,959,600	(309,600)
Off Street Parking	3,351,700	3,351,700	0
Dock	980,000	980,000	0
Market	106,000	106,000	0
Transportation	5,156,910	5,156,910	0
Stormwater Mgmt	500,000	529,520	(29,520)
Refuse	3,255,000	3,255,000	0
Grand Total	\$78,376,770	\$81,553,520	(\$3,176,750)

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The schedule below shows the anticipated beginning and ending fund balance for each of the City's nine operating funds. The fund balance is the accumulated total of all prior years' actual revenues in excess of expenditures, commonly referred to as "surplus". Maintaining a prudent fund balance level is critical to ensuring that the City is able to cope with financial emergencies and fluctuations in revenue cycles.

<i>General Fund Balance</i>	<i>Actual FY 2007</i>	<i>Projected FY 2008</i>	<i>Budget FY 2009</i>
Beginning balance	\$10,041,990	\$9,827,960	\$9,379,260
Revenues			
Taxes	25,537,990	29,362,900	31,489,000
Licenses and permits	2,439,940	2,445,000	3,143,000
Fines and forfeitures	1,266,860	1,180,000	1,450,000
Money and property	1,409,060	1,496,900	3,902,660
Intergovernmental	14,148,270	15,636,210	14,387,000
Current services	1,981,140	2,608,100	3,268,500
Total revenues	46,783,260	52,729,110	57,640,160
Expenditures			
General government	6,677,290	11,472,870	11,820,950
Public safety	28,248,150	29,875,950	31,279,180
Community services	3,041,590	3,381,060	3,222,900
Public works	3,225,270	5,117,680	5,623,310
Debt	3,315,080	3,751,140	6,652,560
Total expenditures	44,507,380	53,598,700	58,598,900
Other financing sources / (uses)	(2,489,910)	420,890	958,740
Ending balance	\$9,827,960	\$9,379,260	\$9,379,260

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<i>Water Fund Balance</i>	<i>Actual FY 2007</i>	<i>Projected FY 2008</i>	<i>Budget FY 2009</i>
Beginning balance	\$6,980,600	\$6,705,110	\$5,945,140
Revenues			
Charges for Services	3,231,390	3,431,000	3,500,000
Capital facility fees	687,830	470,000	510,000
Administrative	-	-	524,630
Other	39,500	83,200	40,000
Total revenues	3,958,720	3,984,200	4,574,630
Expenses			
Salaries	1,544,630	1,586,600	1,748,340
Utilities	319,010	356,300	350,800
Repairs and maintenance	440,250	490,040	443,360
Materials and supplies	231,920	325,130	305,130
Contractual services	40,770	489,790	63,270
Administrative charge (credit)	885,860	212,420	425,230
Depreciation	543,270	548,220	542,370
Other	228,500	735,670	696,130
Total expenses	4,234,210	4,744,170	4,574,630
Other financing sources / (uses)	-	-	-
Ending balance	\$6,705,110	\$5,945,140	\$5,945,140

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<i>Sewer Fund Balance</i>	<i>Actual FY 2007</i>	<i>Projected FY 2008</i>	<i>Budget FY 2009</i>
Beginning balance	\$13,385,280	\$12,682,810	\$14,884,440
Revenues			
Charges for Services	4,585,490	4,500,000	4,900,000
Capital facility fees	389,690	520,000	670,000
Administrative	-	-	309,600
Other	78,910	550,000	80,000
Total revenues	5,054,090	5,570,000	5,959,600
Expenses			
Salaries	627,680	680,060	823,060
Utilities	174,670	188,700	179,000
Repairs and maintenance	293,730	295,840	288,840
Materials and supplies	55,840	59,980	59,980
Contractual services	3,381,490	390,990	3,290,990
Administrative charge (credit)	437,500	473,880	89,080
Depreciation	578,000	625,580	617,350
Other	207,650	653,340	611,300
Total expenses	5,756,560	3,368,370	5,959,600
Other financing sources / (uses)	-	-	-
Ending balance	\$12,682,810	\$14,884,440	\$14,884,440

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<i>Off Street Parking Fund Balance</i>	<i>Actual FY 2007</i>	<i>Projected FY 2008</i>	<i>Budget FY 2009</i>
Beginning balance	\$2,663,180	\$740,680	\$1,605,820
Revenues			
Charges for Services	3,135,030	3,300,000	3,350,000
Other	1,740	762,500	1,700
Total revenues	3,136,770	4,062,500	3,351,700
Expenses			
Utilities	137,570	142,200	142,200
Repairs and maintenance	38,240	83,420	63,420
Materials and supplies	5,410	5,790	5,790
Contractual services	1,007,600	1,023,070	1,023,070
Administrative charge (credit)	520,230	313,570	(443,830)
Depreciation	413,130	413,120	413,130
Other	398,760	1,216,190	1,176,930
Total expenses	2,520,940	3,197,360	2,380,710
Other financing sources / (uses)	(2,538,330)	-	(970,990)
Ending balance	\$740,680	\$1,605,820	\$1,605,820

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<i>Dock Fund Balance</i>	<i>Actual FY 2007</i>	<i>Projected FY 2008</i>	<i>Budget FY 2009</i>
Beginning balance	\$2,493,170	\$2,366,370	\$4,349,660
Revenues			
Charges for Services	915,030	879,000	930,000
Grant Income	153,950	95,000	50,000
Other	145,700	2,000,000	-
Total revenues	1,214,680	2,974,000	980,000
Expenses			
Salaries	353,900	377,940	399,030
Utilities	42,540	44,200	44,200
Repairs and maintenance	60,060	58,820	59,770
Materials and supplies	20,080	40,210	39,260
Contractual services	7,380	40,480	30,480
Administrative charge (credit)	47,260	8,290	42,670
Depreciation	90,550	267,040	87,040
Other	24,700	153,730	89,990
Total expenses	646,470	990,710	792,440
Other financing sources / (uses)	(695,010)	-	(187,560)
Ending balance	\$2,366,370	\$4,349,660	\$4,349,660

**City of Annapolis FY 2009 Adopted Budget
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<i>Market Fund Balance</i>	<i>Actual FY 2007</i>	<i>Projected FY 2008</i>	<i>Budget FY 2009</i>
Beginning balance	\$493,770	\$246,000	(\$101,410)
Revenues			
Charges for Services	100,000	76,800	106,000
Total revenues	100,000	76,800	106,000
Expenses			
Utilities	2,030	3,800	3,800
Repairs and maintenance	3,280	5,000	5,000
Materials and supplies	340	500	500
Administrative charge (credit)	35,860	4,150	11,750
Depreciation	24,860	24,860	24,860
Other	281,400	385,900	60,090
Total expenses	347,770	424,210	106,000
Other financing sources / (uses)	-	-	-
Ending balance	\$246,000	(\$101,410)	(\$101,410)

**City of Annapolis FY 2009 Adopted Budget
All Funds Summary**

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<i>Transportation Fund Balance</i>	<i>Actual FY 2007</i>	<i>Projected FY 2008</i>	<i>Budget FY 2009</i>
Beginning balance	\$39,570	\$378,460	(\$359,840)
Revenues			
Charges for Services	970,740	700,000	960,000
Grant Income	2,514,030	2,114,390	1,950,000
Other	305,810	1,809,800	10,000
Total revenues	3,790,580	4,624,190	2,920,000
Expenses			
Salaries	3,386,700	3,479,130	3,617,090
Utilities	58,020	59,300	59,300
Repairs and maintenance	514,240	381,820	201,110
Materials and supplies	413,120	239,520	237,840
Contractual services	17,390	22,600	14,100
Administrative charge (credit)	847,480	696,590	706,040
Depreciation	441,040	438,410	299,370
Other	15,700	45,120	22,060
Total expenses	5,693,690	5,362,490	5,156,910
Other financing sources / (uses)	2,242,000	-	2,236,910
Ending balance	\$378,460	(\$359,840)	(\$359,840)

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<i>Stormwater Management Fund Balance</i>	<i>Actual FY 2007</i>	<i>Projected FY 2008</i>	<i>Budget FY 2009</i>
Beginning balance	\$262,100	\$460,610	\$628,530
Revenues			
Charges for Services	465,400	482,000	500,000
Grant Income	8,770	4,940	-
Administrative	-	-	29,520
Total revenues	474,170	486,940	529,520
Expenses			
Salaries	145,070	162,100	374,760
Repairs and maintenance	9,890	10,000	10,000
Materials and supplies	14,600	17,500	17,500
Contractual services	85,520	103,940	74,000
Administrative charge (credit)	20,580	23,300	53,260
Other	-	2,180	-
Total expenses	275,660	319,020	529,520
Other financing sources / (uses)	-	-	-
Ending balance	\$460,610	\$628,530	\$628,530

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<i>Refuse Collection Fund Balance</i>	<i>Actual FY 2007</i>	<i>Projected FY 2008</i>	<i>Budget FY 2009</i>
Beginning balance	\$4,020	\$283,090	\$459,970
Revenues			
Charges for Services	2,821,300	3,270,000	3,255,000
Other	-	15,000	-
Total revenues	2,821,300	3,285,000	3,255,000
Expenses			
Salaries	1,112,130	1,191,810	1,390,960
Utilities	1,650	1,900	1,900
Repairs and maintenance	52,510	68,640	53,640
Materials and supplies	117,890	122,180	122,190
Contractual services	896,810	947,250	987,250
Administrative charge (credit)	679,880	676,810	695,060
Depreciation	120,360	99,530	4,000
Total expenses	2,981,230	3,108,120	3,255,000
Other financing sources / (uses)	439,000	-	-
Ending balance	\$283,090	\$459,970	\$459,970

**City of Annapolis FY 2009 Adopted Budget
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<i>Revenues</i>	<i>FY 2007 Actual</i>	<i>FY 2008 Adopted</i>	<i>FY 2009 Adopted</i>	<i>Percent Change</i>
Taxes	\$25,537,990	\$28,190,000	\$31,489,000	11.70%
Licenses and Permits	2,439,940	2,905,300	3,143,000	8.18%
Intergovernmental Revenues	16,825,030	14,659,600	16,387,000	11.78%
Charges for Services	18,205,510	19,922,790	20,769,500	4.25%
Fines and Forfeitures	1,266,860	1,428,700	1,450,000	1.49%
Money and Property	1,813,760	1,603,980	1,533,800	-4.38%
Other Financing Sources	5,093,260	6,390,590	6,781,220	6.11%
Total Revenues	\$71,182,350	\$75,100,960	\$81,553,520	8.59%

<i>Expenditures</i>	<i>FY 2007 Actual</i>	<i>FY 2008 Adopted</i>	<i>FY 2009 Adopted</i>	<i>Percent Change</i>
Personnel	\$43,578,290	\$48,378,490	\$51,467,390	6.38%
Other Operating Expenditures	16,910,390	16,671,970	16,299,880	-2.23%
Capital Outlays	399,150	257,000	710,000	176.26%
Debt Service	6,253,410	5,752,360	9,309,060	61.83%
Depreciation	2,211,200	2,231,830	1,988,120	-10.92%
Administrative	1,117,460	(590,690)	(329,540)	-44.21%
Contribution to CIP	2,739,940	2,400,000	2,108,610	-12.14%
Total Expenditures	\$73,209,840	\$75,100,960	\$81,553,520	8.59%

**City of Annapolis FY 2009 Adopted Budget
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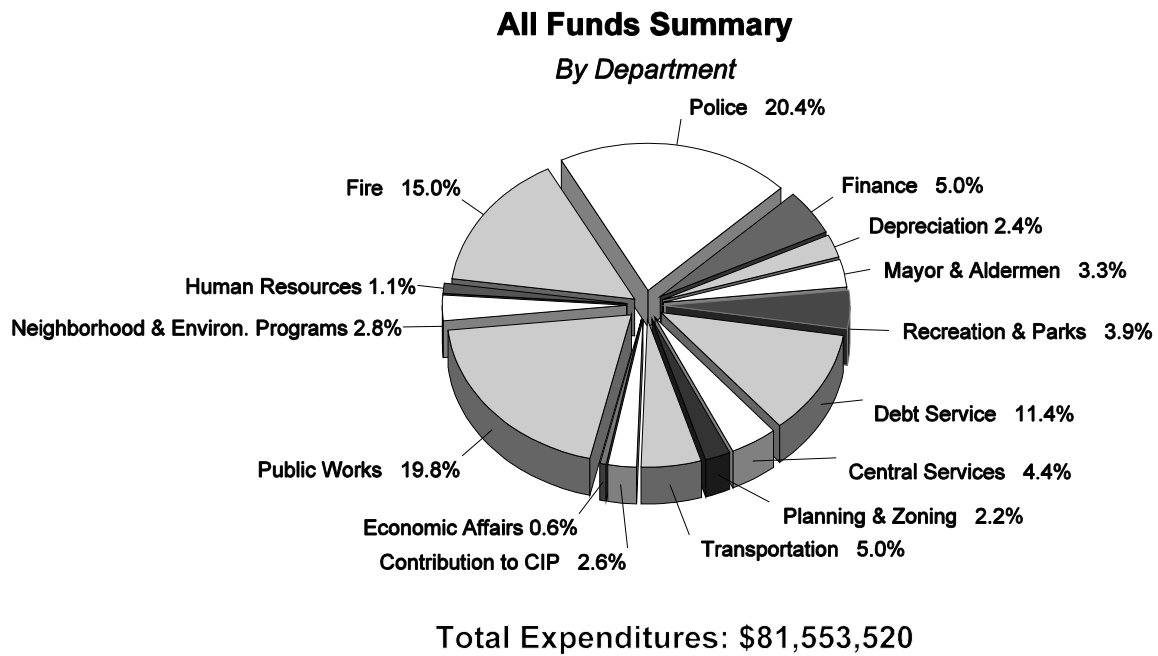
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<i>Expenditures by Department</i>	<i>FY 2007 Actual</i>	<i>FY 2008 Adopted</i>	<i>FY 2009 Adopted</i>	<i>Percent Change</i>
Mayor and Aldermen	\$2,779,140	\$2,503,290	\$2,697,800	7.77%
Economic Affairs	767,570	338,250	511,640	51.26%
Finance	2,469,060	3,297,480	4,118,720	24.91%
Human Resources	736,650	781,630	906,940	16.03%
Planning & Zoning	1,573,420	1,867,910	1,835,460	-1.74%
Central Services	3,062,630	3,308,460	3,566,910	7.81%
Police	14,658,290	16,286,130	16,696,980	2.52%
Fire	10,972,160	11,790,520	12,308,990	4.40%
Neighborhood & Environ. Programs	2,125,700	2,285,930	2,273,210	-0.56%
Public Works	14,302,030	15,716,060	16,208,280	3.13%
Recreation & Parks	3,041,590	3,272,380	3,222,900	-1.51%
Transportation	4,399,590	3,859,420	4,129,440	7.00%
Depreciation	2,211,200	2,231,830	1,988,120	-10.92%
Administrative	1,117,460	(590,690)	(329,540)	-44.21%
Debt Service	6,253,410	5,752,360	9,309,060	61.83%
Contribution to CIP	2,739,940	2,400,000	2,108,610	-12.14%
Total Expenditures	\$73,209,840	\$75,100,960	\$81,553,520	8.59%

City of Annapolis FY 2009 Adopted Budget All Funds Summary

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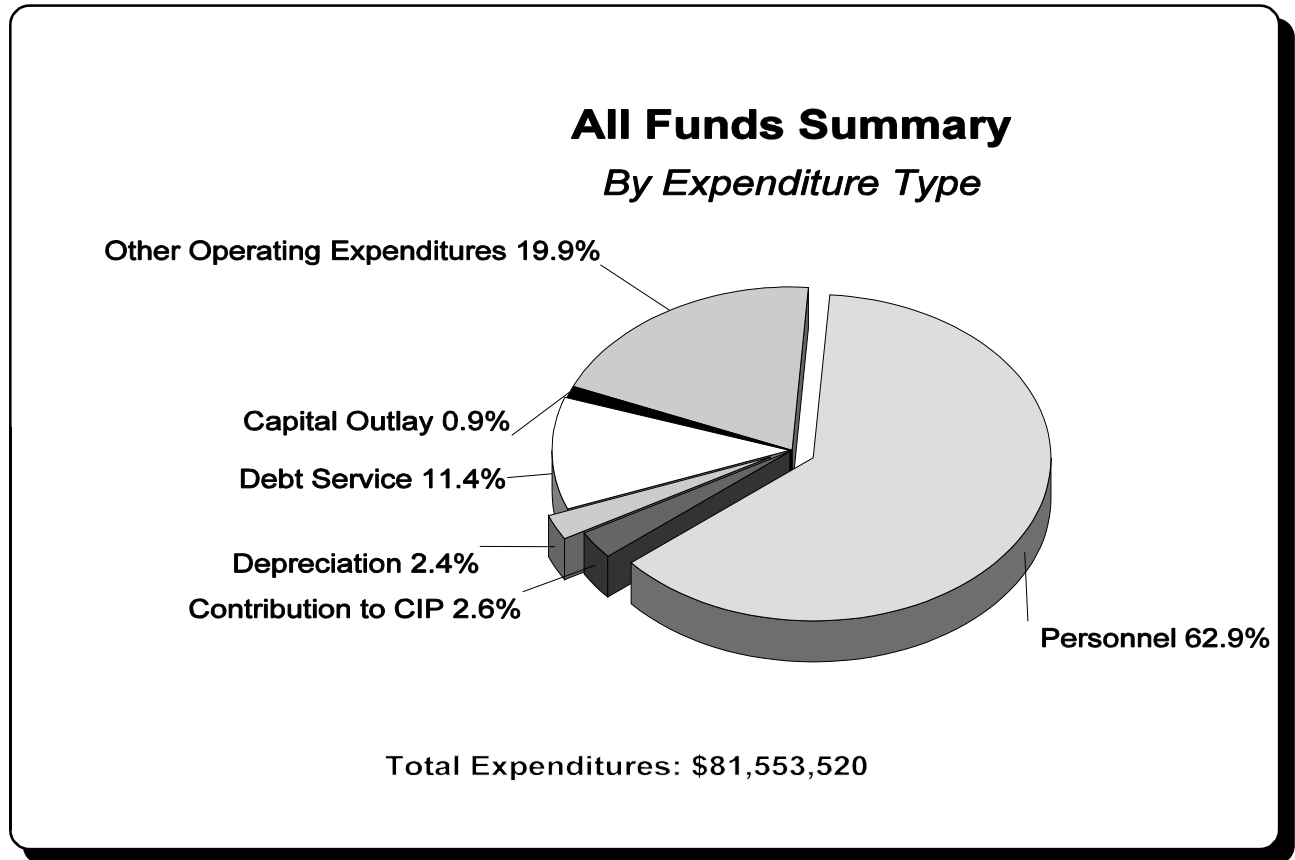
The graph below indicates total Adopted FY 09 expenditures (all funds combined) by department.



City of Annapolis FY 2009 Adopted Budget All Funds Summary

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The graph below indicates total Adopted FY 09 expenditures (all funds combined) by major categories of expenditure.



City of Annapolis
FY 2009 Adopted Revenue Budget for All Funds

<i>Department</i>	<i>General Fund</i>	<i>% of Total</i>	<i>Enterprise Funds</i>	<i>% of Total</i>	<i>Department Total</i>	<i>% of Total</i>
Taxes	\$31,489,000	54.63%	\$0	0.00%	\$31,489,000	38.61%
Licenses and Permits	3,143,000	5.45%	0	0.00%	3,143,000	3.85%
Intergovernmental Revenues	14,387,000	24.96%	2,000,000	8.36%	16,387,000	20.09%
Charges for Services	3,268,500	5.67%	17,501,000	73.19%	20,769,500	25.47%
Fines and Forfeitures	1,450,000	2.52%	0	0.00%	1,450,000	1.78%
Money and Property	1,402,100	2.43%	131,700	0.55%	1,533,800	1.88%
Other Financing Sources	2,500,560	4.34%	4,280,660	17.90%	6,781,220	8.32%
Total	\$57,640,160	100.00%	\$23,913,360	100.00%	\$81,553,520	100.00%

City of Annapolis
FY 2009 Adopted Expenditure Budget By Department for All Funds

<i>Department</i>	<i>General Fund</i>	<i>% of Total</i>	<i>Enterprise Funds</i>	<i>% of Total</i>	<i>Department Total</i>	<i>% of Total</i>
Mayor and Aldermen	\$2,125,060	3.69%	\$572,740	2.40%	\$2,697,800	3.31%
Economic Affairs	511,640	0.89%	0	0.00%	511,640	0.63%
Finance	4,118,720	7.15%	0	0.00%	4,118,720	5.05%
Human Resources	906,940	1.57%	0	0.00%	906,940	1.11%
Planning and Zoning	1,835,460	3.18%	0	0.00%	1,835,460	2.25%
Central Services	2,323,130	4.03%	1,243,780	5.20%	3,566,910	4.37%
Police	16,696,980	28.97%	0	0.00%	16,696,980	20.47%
Fire	12,308,990	21.35%	0	0.00%	12,308,990	15.09%
Neighborhood & Environmental Programs	2,273,210	3.94%	0	0.00%	2,273,210	2.79%
Public Works	5,623,310	9.76%	10,584,970	44.26%	16,208,280	19.87%
Recreation and Parks	3,222,900	5.59%	0	0.00%	3,222,900	3.95%
Transportation	0	0.00%	4,129,440	17.27%	4,129,440	5.06%
Other Expenditures	(3,067,350)	(5.32)%	4,725,930	19.76%	1,658,580	2.03%
Debt Service	6,652,560	11.54%	2,656,500	11.11%	9,309,060	11.41%
Transfer to Capital Projects	2,108,610	3.66%	0	0.00%	2,108,610	2.59%
Total	\$57,640,160	100.00%	\$23,913,360	100.00%	\$81,553,520	100.00%

History of Budgeted and Actual Expenditures by Fund FY 2004 - FY 2009

<i>Fund</i>	<i>FY 2004</i>		<i>FY 2005</i>		<i>FY 2006</i>		<i>FY 2007</i>	
	<i>Actual</i>	<i>Original Adopted Budget</i>	<i>Actual</i>	<i>Original Adopted Budget</i>	<i>Actual</i>	<i>Original Adopted Budget</i>	<i>Actual</i>	<i>Original Adopted Budget</i>
General	\$38,181,700	\$37,339,250	\$39,760,440	\$39,754,490	\$45,613,790	\$43,098,000	\$48,186,320	\$46,315,970
Water	3,984,390	3,782,910	4,259,510	3,798,560	4,447,490	3,922,890	4,234,210	4,164,470
Sewer	4,910,590	5,104,320	5,990,340	5,020,720	6,169,050	5,061,630	5,756,560	5,620,340
Off Street Parking	1,256,700	1,705,690	1,779,060	1,437,410	6,141,820	2,104,760	4,262,940	3,787,150
Dock	720,790	671,240	777,910	629,180	862,430	655,370	1,471,470	1,495,580
Market	101,090	116,770	68,860	102,000	115,880	70,820	347,770	100,000
Transportation	4,169,440	3,727,010	5,145,150	3,888,030	5,532,210	4,211,540	5,693,680	4,514,390
Stormwater Mgmt	141,060	0	293,350	240,620	273,600	283,910	275,660	332,830
Refuse	2,750,210	2,477,250	3,036,240	2,654,680	3,075,860	2,801,860	2,981,230	3,030,920
Total	\$56,215,970	\$54,924,440	\$61,110,860	\$57,525,690	\$72,232,130	\$62,210,780	\$73,209,840	\$69,361,650

<i>Fund</i>	<i>FY 2008</i>		<i>FY 2009</i>
	<i>Original Adopted Budget</i>	<i>Revised Budget</i>	<i>Adopted Budget</i>
General	\$52,920,640	\$58,438,330	\$57,640,160
Water	4,633,280	4,857,930	4,574,630
Sewer	5,776,470	6,535,970	5,959,600
Off Street Parking	2,419,990	3,241,940	3,351,700
Dock	716,340	726,340	980,000
Market	102,620	513,120	106,000
Transportation	4,919,800	5,110,690	5,156,910
Stormwater Mgmt	376,780	381,720	529,520
Refuse	3,235,040	3,250,040	3,255,000
Total	\$75,100,960	\$83,056,080	\$81,553,520

FY 2007 - 2009 Budget Comparison by Fund

The following tables compare the FY 2007, FY 2008 and FY 2009 Budgeted revenue and expenditure budgets for all funds.

<i>Revenues by Fund</i>	<i>FY 2007 Adopted</i>	<i>FY 2008 Adopted</i>	<i>FY 2009 Adopted</i>
General	\$46,315,970	\$52,920,640	\$57,640,160
Water	4,164,470	4,633,280	4,574,630
Sewer	5,620,340	5,776,470	5,959,600
Off Street Parking	3,787,150	2,419,990	3,351,700
Dock	1,495,580	716,340	980,000
Market	100,000	102,620	106,000
Transportation	4,514,390	4,919,800	5,156,910
Stormwater Management	332,830	376,780	529,520
Refuse	3,030,920	3,235,040	3,255,000
Grand Total	\$69,361,650	\$75,100,960	\$81,553,520

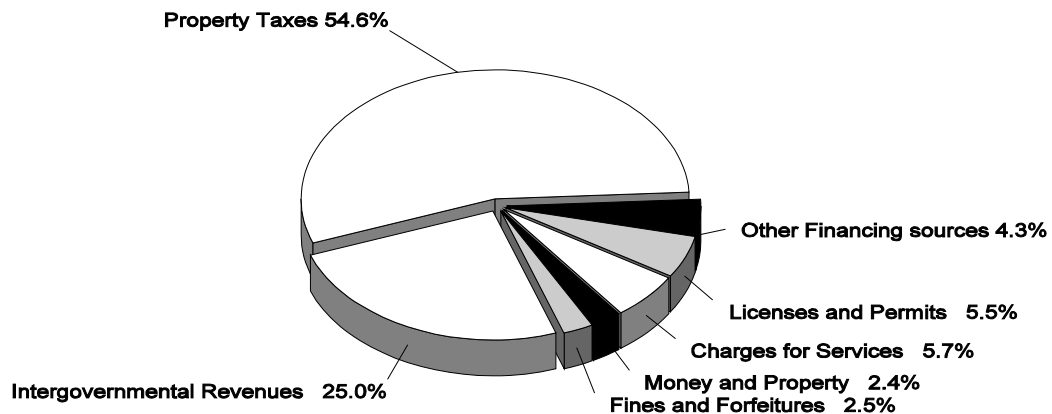
<i>Expenditures by Fund</i>	<i>FY 2007 Adopted</i>	<i>FY 2008 Adopted</i>	<i>FY 2009 Adopted</i>
General	\$46,315,970	\$52,920,640	\$57,640,160
Water	4,164,470	4,633,280	4,574,630
Sewer	5,620,340	5,776,470	5,959,600
Off Street Parking	3,787,150	2,419,990	3,351,700
Dock	1,495,580	716,340	980,000
Market	100,000	102,620	106,000
Transportation	4,514,390	4,919,800	5,156,910
Stormwater Management	332,830	376,780	529,520
Refuse	3,030,920	3,235,040	3,255,000
Grand Total	\$69,361,650	\$75,100,960	\$81,553,520

Comparison of Annual General Fund Revenues - All Sources FY 2007 - FY 2009

Total FY 09 General fund revenues are budgeted at \$57,640,160 an increase of 8.92% from FY 08 budgeted revenue and an increase of 20.15% over actual receipts for FY 07. The categorical descriptions below provide greater insight into the various trends affecting the City's revenue streams.

Revenues	FY 2007 Actual	FY 2008 Adopted	FY 2009 Adopted
Property Taxes	\$25,537,990	\$28,190,000	\$31,489,000
Licenses and Permits	2,439,940	2,905,300	3,143,000
Intergovernmental Revenues	14,148,270	12,654,600	14,387,000
Charges for Services	1,981,140	3,094,750	3,268,500
Fines and Forfeitures	1,266,860	1,428,700	1,450,000
Money and Property	1,409,060	1,243,980	1,402,100
Other Financing Sources	1,189,030	3,403,310	2,500,560
Total Revenues	\$47,972,290	\$52,920,640	\$57,640,160

Comparison of General Fund Revenues All Sources



General Fund Revenues - Detail of Major Revenue Sources

Property Taxes - General

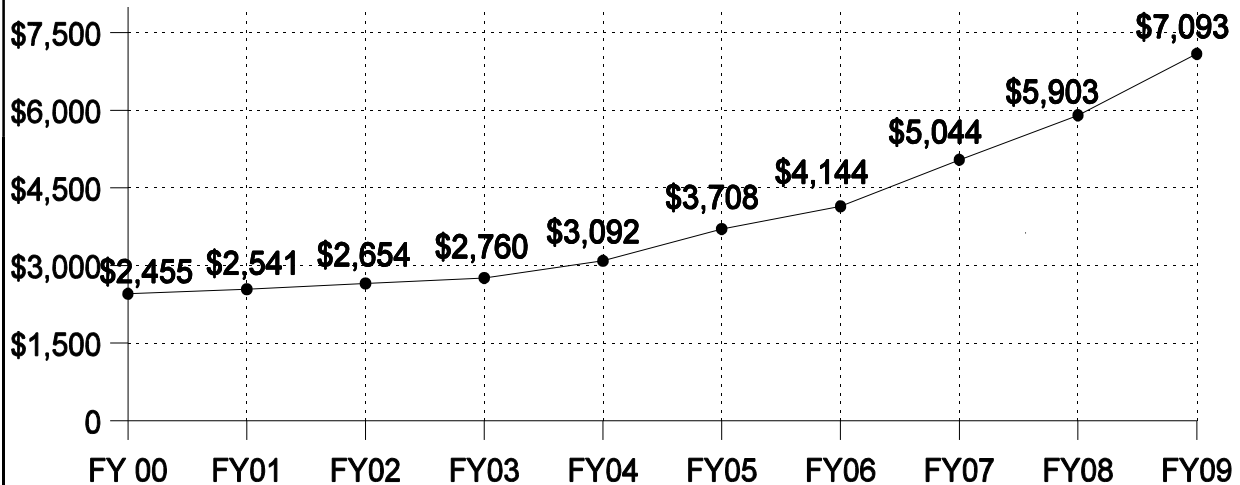
This category of revenue consists of taxes on the assessed value of real estate (including land, structures and improvements) and taxes on the assessed value of inventory, furniture, and fixtures of business establishments. Property is assessed at 100 % of property value. The tax rate is the amount charged per \$100 of assessed value, as determined by the State Department of Assessments and Taxation. The Mayor and Council establish the tax rate each year in order to finance General Fund activities.

The assessable base of all taxable property fluctuates because of changes to the market value of the existing base or because of the addition of new residential or commercial properties. The City is under a tri-annual assessment period for real property and increases are phased in over three years. FY09 figures represent the third year of a new assessment.

Assessable Base of All Taxable Property

In Millions of Dollars
FY 2000 - FY 2009

Assessable base is defined as the total value of all real and personal property in the City which is used as a basis for levying taxes. Tax exempt property is excluded from the assessable base.



General Fund Revenues - Detail of Major Revenue Sources
Property Taxes - General

-continued-

A City resident pays a combined tax rate levied by the City, Anne Arundel County, and the State of Maryland. The County tax rate is reduced for City residents because City residents do not utilize certain County services to the same extent they are used by other non-City, County residents. The cost of education, provided by the County, is the major factor in calculating the credit or tax differential. The tax rates for the last ten years based on full assessed values have been as follows:

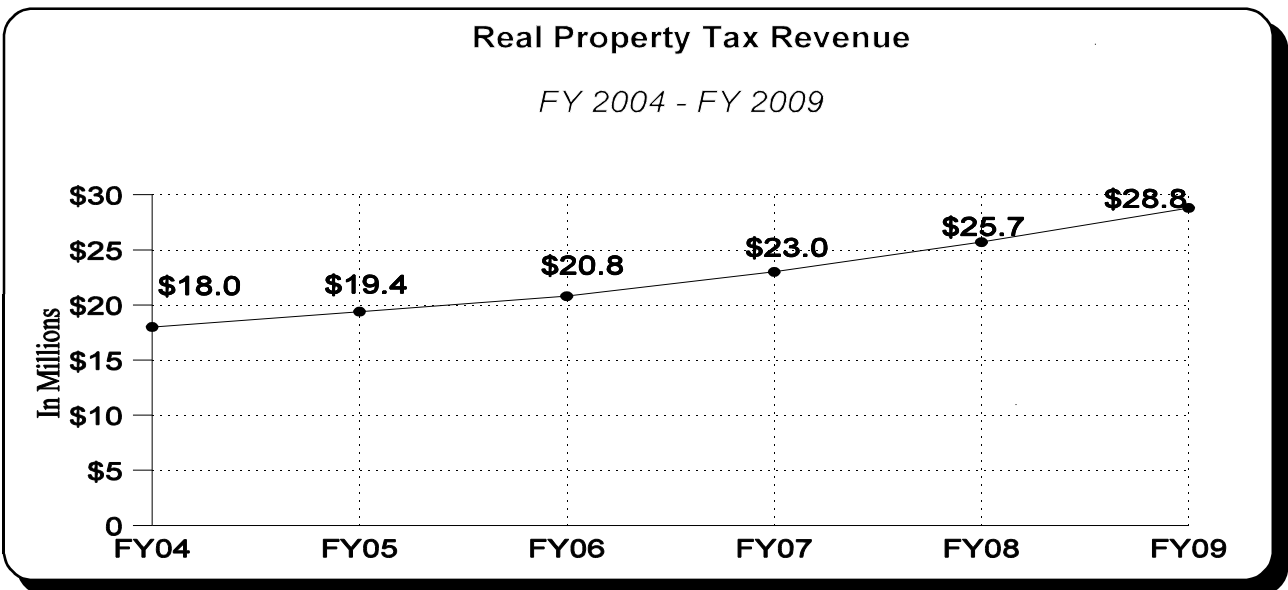
<i>Fiscal Year</i>	<i>City Rate</i>	<i>County Rate</i>	<i>State Rate</i>	<i>Total Rate In the City</i>	<i>County Tax Differential</i>	<i>Non-City County Rate</i>
09	0.530	0.530	0.112	1.172	0.358	0.888
08	0.530	0.531	0.112	1.173	0.360	0.891
07	0.530	0.548	0.112	1.190	0.370	0.918
06	0.560	0.555	0.132	1.247	0.376	0.931
05	0.580	0.561	0.132	1.273	0.380	0.941
04	0.600	0.555	0.132	1.287	0.400	0.955
03	0.624	0.550	0.084	1.258	0.400	0.950
02	0.624	0.556	0.084	1.264	0.404	0.960
01	0.668	0.556	0.084	1.308	0.404	0.960
00	0.672	0.540	0.084	1.296	0.404	0.944

General Fund Revenues - Detail of Major Revenue Sources

Property Tax Revenue

This category of property taxes consists of taxes on the assessed value of real property, which includes land, structures, and improvements. Real property taxes are charged on both residences and commercial establishments. In FY 09, real property taxes alone constitute 50% of the City's General Fund budget, net of appropriation of fund balance.

The calculation of assessed value begins with an estimate prepared by the State of the assessed value of all property that will be on the tax roles as of the beginning of the City's FY 09. The estimate of tax revenue is based on multiplying the assessed value by the tax rate, taking into account when during the year the tax on new property is taxed and the impact of appeals and late payments from previous years.



Real Property Tax Revenue History, Projections and Percent Change
FY 2004 - FY 2009

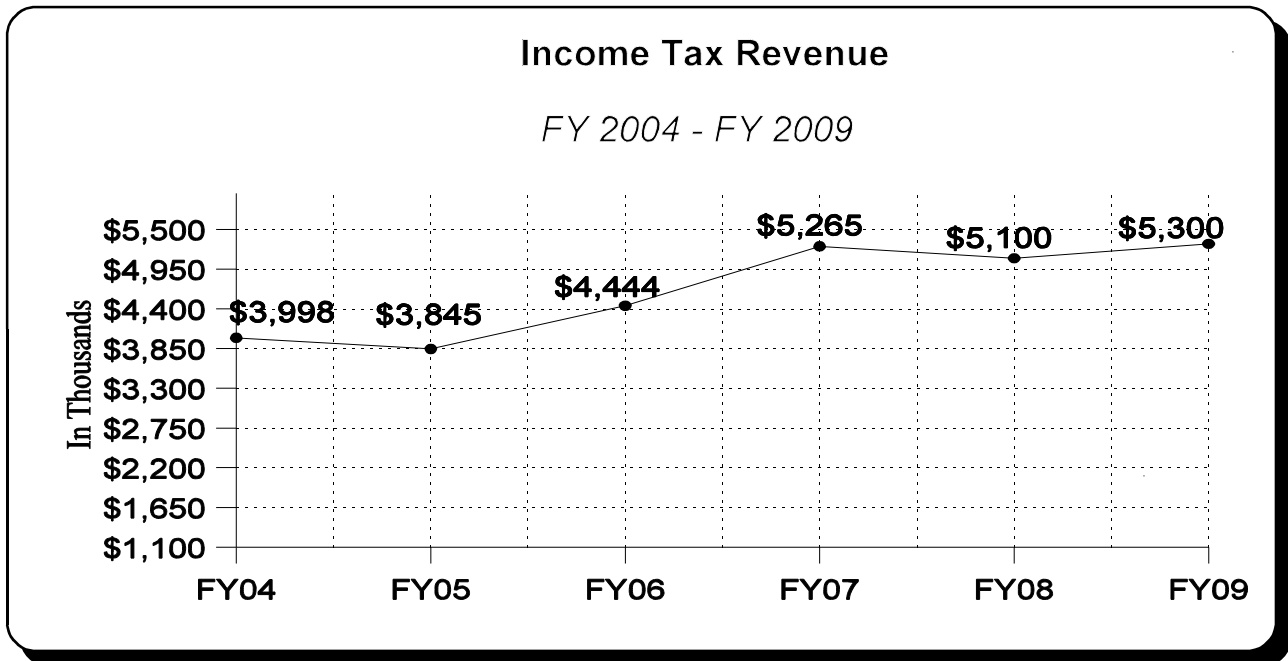
	<i>04 Actual</i>	<i>05 Actual</i>	<i>06 Actual</i>	<i>07 Actual</i>	<i>08 Adopted</i>	<i>09 Adopted</i>
Revenue	\$17,960,670	\$19,383,540	\$20,806,040	\$22,976,330	\$25,741,000	\$28,830,000
% Change		7.92%	7.34%	10.43%	12.03%	12.00%

General Fund Revenues - Detail of Major Revenue Sources

Income Tax Revenue

This category of revenue consists of the City's share of income taxes received by the State for returns filed from Annapolis. The income tax is the second largest source of revenue to the General Fund.

Maryland counties are able to impose an income tax that "piggy-backs" on the State income tax. Municipalities receive only a fraction of the piggy-back tax collected by the State from returns filed in the municipality; the County receives the remainder of the tax.



Income Tax Revenue History, Projections and Percent Change
FY 2004 - FY 2009

	<i>04 Actual</i>	<i>05 Actual</i>	<i>06 Actual</i>	<i>07 Actual</i>	<i>08 Adopted</i>	<i>09 Adopted</i>
Revenue	\$3,998,210	\$3,845,710	\$4,444,410	\$5,264,850	\$5,100,000	\$5,300,000
% Change		-3.81%	15.57%	18.46%	-3.13%	3.92%

**General Fund
Revenues - by Source
FY 2007 - FY 2009**

Property Taxes

The real property assessment, at 100%, used to calculate the FY 2009 tax revenue budget, is \$5,439,600,000. This is a 12.2% increase over the FY 2008 assessment, at 100%, of \$4,850,000,000. The adopted tax rate for FY 2009 is 53.0 cents, which is the same rate adopted for FY 2008, per \$100 of full property value. The personal property rate remains the same at \$1.66.

Property Taxes	FY 2007 Actual	FY 2008 Adopted	FY 2009 Adopted
Real Property: Revenues from taxes on assessed value real estate including land, structures, and improvements.	\$22,976,330	\$25,741,000	\$28,830,000
Personal Unincorporated: Revenues from taxes on assessed valuation of inventory, furnishings, and fixtures of unincorporated businesses.	40,930	37,000	38,000
Personal - Public Utility: Revenues from taxes on assessed valuation of inventory, furnishings, and fixtures of public utilities.	945,860	912,000	976,000
Personal Corporation: Revenues from taxes on assessed valuation of inventory, furnishings, and fixtures of incorporated businesses.	1,449,300	1,400,000	1,500,000
Penalties and Taxes: Interest paid on delinquent taxes.	125,570	100,000	145,000
Total Property Taxes	\$25,537,990	\$28,190,000	\$31,489,000

Licenses and Permits

These budgeted increases are based on FY 2007 actual revenue, FY 2008 projections, and the general upward trend of some of these revenue sources. The increase in Cable TV Franchise Fee revenue is due to an increase in PEG fees for capital improvements.

Licenses and Permits	FY 2007 Actual	FY 2008 Adopted	FY 2009 Adopted
Street Use: Fees charged for the use of City street and sidewalk surfaces.	\$215,700	\$189,800	\$197,500
Residential Parking Permits: Revenue from permits issued for parking in residential areas.	83,860	78,500	78,500
Sidewalk Cafes: Fees charged for the use of City sidewalks for restaurants that have sidewalk cafes.	9,000	9,000	9,000
Alcoholic Beverage Licenses: Revenues from licenses issued to allow sale of beer, wine, and liquor.	207,530	310,000	310,000
Traders Licenses: Fees collected from local businesses by the State and returned to the City.	82,430	80,000	80,000

**General Fund
Revenues - by Source
FY 2007 - FY 2009**

- continued -

<i>Licenses and Permits</i>	<i>FY 2007 Actual</i>	<i>FY 2008 Adopted</i>	<i>FY 2009 Adopted</i>
Vendor-Huckster Licenses: Revenue from licenses issued for utility contractors and peddlers.	40,350	75,000	75,000
Towing Licenses: Fees from licenses issued to contractors.	50	0	0
Amusements Licenses: Fees charged by the City to operate various types of amusements.	3,430	3,000	3,000
Building Permits: Revenue from permits issued for building construction/electrical work; plumbing, sewer, water, and gas connections.	1,057,450	1,430,000	1,430,000
Cable TV Franchise Fees: Franchise fees for cable television at 5% of gross receipts.	619,370	580,000	810,000
Other Non-Business Licenses: Revenue from the issuance of local licenses and permits not elsewhere classified.	120,770	150,000	150,000
Total Licenses and Permits	\$2,439,940	\$2,905,300	\$3,143,000

Intergovernmental Revenues

Although it is likely that the City will receive various grants from other agencies, some have not been included in the FY 2009 budget because the application and acceptance process have not yet been completed. The Police Protection Grant is based on a formula that is calculated by the State. Highway tax revenue and admissions receipts are estimated based on information provided to the City by the State.

<i>Intergovernmental Revenues</i>	<i>FY 2007 Actual</i>	<i>FY 2008 Adopted</i>	<i>FY 2009 Adopted</i>
Other Federal Grants: U.S. Environmental Protection Agency grants for habitat restoration, Federal Emergency Management Agency (FEMA) and other various grants.	29,520	57,000	520,000
U.S. Department of Justice Grants: U.S. Department of Justice grants that fund certain costs of local law enforcement and citizen participation in an effort to make communities safer.	5,160	0	0
Police Protection Grant: City's share of State funds allocated to municipalities for police protection.	1,332,530	1,150,000	1,200,000
BMC Planning Grant: Subsidization of transportation planning activities and salary reimbursement, administered by the Baltimore Metropolitan Council and funded by various federal and state agencies.	28,530	0	0
Critical Area Grant: Assistance to local governments in carrying out their responsibilities under the Chesapeake Bay Critical Area Protection Program, administered by the Critical Area Commission, State of Maryland DNR.	10,000	0	0

**General Fund
Revenues - by Source
FY 2007 - FY 2009**

- continued -

<i>Intergovernmental Revenues</i>	<i>FY 2007 Actual</i>	<i>FY 2008 Adopted</i>	<i>FY 2009 Adopted</i>
HotSpots Grants: State payments to support HotSpots neighborhood and youth programs.	88,760	0	0
Maryland Emergency Management Agency (MEMA): Grants for terrorism response.	490,020	0	0
Miscellaneous State Grants: Revenue from other state grants that are not listed separately.	156,850	20,600	300,000
Highway Taxes: City's share of gasoline tax and motor vehicle registrations collected by the State.	1,947,000	1,900,000	1,950,000
Income Taxes: City's share of income tax received by the State for returns filed from Annapolis.	5,264,850	5,100,000	5,300,000
Admissions Receipts: Taxes on admissions are returned to municipalities by the State on the basis of the amount collected.	900,380	600,000	900,000
State Payment in Lieu of Taxes: Revenue received from the State of Maryland in lieu of taxes for fire and police services.	367,000	367,000	367,000
County - 911 Revenue: Revenue received from a portion of the County grant to support the "911" emergency calling system.	387,720	266,500	400,000
Miscellaneous County Grants: Revenue from various grants from Anne Arundel County that are not listed separately.	36,970	13,000	30,000
Electricity: The City's share of sales tax collected on electricity use.	200,430	200,000	210,000
Gas: The City's share of sales tax collected on natural gas use.	27,290	28,000	30,000
Telephone: The City's share of sales tax collected on telephone use.	338,600	289,000	367,000
Fuel: The City's share of sales tax collected on fuel oil use.	2,350	3,000	3,000
Hotel-Motel Tax: Revenue from 7% tax levied on room receipts in the City of Annapolis.	1,852,800	1,900,000	2,000,000
County Payment in Lieu of Taxes: Revenue received from Anne Arundel County in lieu of taxes for fire protection coverage of the Annapolis Neck Peninsula.	681,510	760,500	810,000
Total Intergovernmental Revenues	\$14,148,270	\$12,654,600	\$14,387,000

**General Fund
Revenues - by Source
FY 2007 - FY 2009**

- continued -

Charges for Services

The budgeted increases in rental unit licenses and parking meter fees are based on FY 2007 actual revenues and FY 2008 projections. The 25% increase in the emergency ambulance service fee is due to a change in the fee schedule. Emergency ambulance services fees are now billed at the Medicare approved rate.

Charges for Services	FY 2007 Actual	FY 2008 Adopted	FY 2009 Adopted
Filing Fees: Charges for services relating to zoning such as map enhancements, text amendments, and use permits.	\$67,760	\$110,000	\$110,000
Rental Unit Licenses: Revenue received for licenses issued to operate a rental dwelling unit.	401,580	514,250	550,000
Fire Safety Inspection Fees: Revenue received from inspections of buildings to ensure that they meet all fire safety requirements concerning life safety.	6,580	8,500	8,500
Public Facilities Fees: Revenues received from property owners for repair and maintenance of sidewalks.	0	510,000	510,000
Emergency Ambulance Service Fees: Charges for ambulance services provided by Emergency Medical Services (EMS) personnel.	0	480,000	600,000
Parking Meter Fees: Revenues from hourly parking meters located in the downtown area.	916,430	870,000	900,000
Recreation Program Fees: Revenues from fees for various recreation programs and classes.	321,590	306,000	310,000
Recreation-Latchkey Fees: Revenue from before and after school day care programs.	267,200	296,000	280,000
Total Charges for Services	\$1,981,140	\$3,094,750	\$3,268,500

Fines and Forfeitures

The budgeted increase in municipal infractions is based on FY 2007 actual revenue, FY 2008 projections, and the general upward trend of the revenue source. The continued decrease in confiscated funds is because the funds are held in escrow until they are recognized as revenues. Therefore, there are no immediate plans of using those funds in FY 2009.

Fines and Forfeitures	FY 2007 Actual	FY 2008 Adopted	FY 2009 Adopted
Parking Violations: Revenues from parking violation fines.	\$775,030	\$900,000	\$900,000
Municipal Infractions: Revenues received from fines for municipal infractions.	34,380	40,700	42,000

**General Fund
Revenues - by Source
FY 2007 - FY 2009**

- continued -

<i>Fines and Forfeitures</i>	<i>FY 2007 Actual</i>	<i>FY 2008 Adopted</i>	<i>FY 2009 Adopted</i>
Confiscated Funds: Cash and personal items seized under current law by City Police during the commission of a crime.	125,430	0	0
Auto Traffic Signal: Revenue from speed enforcement program.	309,270	460,000	480,000
Other Fines: Revenue from other miscellaneous fines and late charges on payment of fines.	22,750	28,000	28,000
Total Fines and Forfeitures	\$1,266,860	\$1,428,700	\$1,450,000

Use of Money and Property

Interest income on the short-term investment of cash balances is expected to remain constant with the amount adopted for FY08. The increase in contributions and donations is from home ownership fees.

<i>Use of Money and Property</i>	<i>FY 2007 Actual</i>	<i>FY 2008 Adopted</i>	<i>FY 2009 Adopted</i>
Interest Income: Investment income of City funds.	\$396,130	\$600,000	\$600,000
Rents: Revenue from the rental of City property.	342,480	200,000	250,000
Contributions and Donations: Revenue from miscellaneous contributions and donations to fund City activities.	128,790	0	100,000
Payments in Lieu of Taxes: Revenues received under special legal agreements with certain entities in lieu of the regular property tax assessment.	148,870	162,200	152,100
Payment for Police Services: Revenues from special dedicated police services.	119,320	110,000	110,000
Miscellaneous Revenues: Revenues not accounted for elsewhere.	273,460	171,780	190,000
Total Use of Money and Property	\$1,409,050	\$1,243,980	\$1,402,100

Other Financing Sources

Proceeds from other financing sources such as the disposal of fixed assets are not usually budgeted but are part of the actual proceeds for the year.

<i>Other Financing Sources</i>	<i>FY 2007 Actual</i>	<i>FY 2008 Adopted</i>	<i>FY 2009 Adopted</i>
Operating Fund Transfers: Revenues from miscellaneous operating fund transfers.	1,189,030	494,090	187,560

**General Fund
Revenues - by Source
FY 2007 - FY 2009**

- continued -

<i>Other Financing Sources</i>	<i>FY 2007 Actual</i>	<i>FY 2008 Adopted</i>	<i>FY 2009 Adopted</i>
Appropriated Fund Balance: This is not an actual revenue; however it is a source of funding relied upon in balancing the budget. This funding source provides pay-as-you-go funding support for the Capital Improvements Program. \$2,108,610 of the general fund balance has been appropriated in FY 2009 to support pay-go project funding.	0	2,909,220	2,313,000
Total Other Financing Sources	\$1,189,030	\$3,403,310	\$2,500,560

**City of Annapolis FY 2009 Adopted Budget
General Fund**

<i>Expenditures</i>	<i>FY 2007 Actual</i>	<i>FY 2008 Adopted</i>	<i>FY 2009 Adopted</i>	<i>Percent Change</i>
Personnel	\$36,408,180	\$40,717,970	\$43,114,150	5.88%
Other Operating Expenditures	8,462,130	8,344,080	8,122,190	-2.66%
Capital Outlays	50,000	134,000	710,000	429.85%
Debt Service	3,315,080	3,061,790	6,652,560	117.28%
Administrative	* (2,789,010)	* (1,737,200)	* (3,067,350)	-76.57%
Contribution to CIP	2,739,940	2,400,000	2,108,610	-12.14%
Total Expenditures	\$48,186,320	\$52,920,640	\$57,640,160	8.92%

<i>Expenditures by Department</i>	<i>FY 2007 Actual</i>	<i>FY 2008 Adopted</i>	<i>FY 2009 Adopted</i>	<i>Percent Change</i>
Mayor and Aldermen	2,290,750	1,956,570	2,125,060	8.61%
Finance	2,469,060	3,297,480	4,118,720	24.91%
Economic Affairs	767,570	338,250	511,640	51.26%
Human Resources	736,650	781,630	906,940	16.03%
Planning & Zoning	1,573,420	1,867,910	1,835,460	-1.74%
Central Services	1,568,640	2,044,680	2,323,130	13.62%
Police	14,658,290	16,286,130	16,696,980	2.52%
Fire	10,972,160	11,790,520	12,308,990	4.40%
Neighborhood & Environ. Programs	2,125,700	2,285,930	2,273,210	-0.56%
Public Works	4,716,480	5,274,570	5,623,310	6.61%
Recreation & Parks	3,041,590	3,272,380	3,222,900	-1.51%
Debt Service	3,315,080	3,061,790	6,652,560	117.28%
Administrative	* (2,789,010)	* (1,737,200)	* (3,067,350)	-76.57%
Contribution to CIP	2,739,940	2,400,000	2,108,610	-12.14%
Total Expenditures	\$48,186,320	\$52,920,640	\$57,640,160	8.92%

* The negative dollar amount is the result of the credit to the General Fund for indirect administrative costs allocated to each enterprise fund.

Comparison of Annual General Fund Expenditures FY 1998 - FY 2007

This line chart indicates annual actual general fund expenditures for the ten year period ending FY 07.

